



**TESTIMONY OF YALE NEW HAVEN HEALTH SYSTEM
SUBMITTED TO THE
PLANNING AND DEVELOPMENT COMMITTEE
Friday, March 21, 2014**

**HB 5583, An Act Concerning The Payment Of Real Property Taxes By
Certain Institutions Of Higher Learning And Hospital Facilities**

Good Morning, my name is Augusta Mueller, and I am the Senior Community Benefits Administrator for Yale New Haven Health System (YNHHS). Thank you for the opportunity to testify in opposition to **HB 5583, An Act Concerning the Payment of Real Property Taxes by Certain Institutions of Higher Learning and Hospital Facilities**. The bill seeks to levy yet another tax on hospitals in just three short years. More specifically, the bill would require hospitals to pay property taxes to the municipalities in which they are located.

Like many hospitals across Connecticut, Yale New Haven Health System (YNHHS), comprising Bridgeport Greenwich and Yale-New Haven Hospitals, is the heartbeat of our communities. With over 19,000 employees and nearly 6000 medical staff, we are among the largest employers. YNHHS provides comprehensive, cost-effective, advanced patient care characterized by safety, quality and service. We offer our patients a range of healthcare services, from primary care to the most complex care available anywhere in the world. YNHHS hospital affiliates continue to be a safety-net for our communities, and we provide care 24 hours per day, seven days per week. In addition to being economic engines for our communities, YNHHS hospitals care for more than one quarter of the State's Medicaid patients and provide millions in free and uncompensated care to those who need our services and have no ability to pay for them.

Measures such as HB 5583 will only serve to further destabilize Connecticut hospitals that have already felt the impact of several funding cuts. In 2011, the legislature enacted a hospital tax on patients, followed by a \$103 million funding reduction in 2012 – funding that would have offset some of the losses hospitals incurred from treating uninsured patients. In 2013, the hospital tax cost \$27 million. In 2014, the tax on hospital patients grew to \$101 million, and beginning in July, the tax will more than double to \$235 million. Hospitals have done extraordinary things to minimize the impact to patient care, but it is becoming increasingly more challenging, especially considering that hospitals are also impacted by federal funding cuts.

YNHHS is an important and integral part of our local communities, and this bill does not take into consideration some of the benefits we offer. From building Habitat homes and also providing incentives for qualified employees to live in some of our communities through our HOME program, YNHHS combined community benefit for 2012 equaled nearly \$360 million that helped to guarantee access to care, advance careers in healthcare, promote health and

wellness, build stronger neighborhoods and create healthier communities. In addition, the positive economic impact that we generated for our communities in 2013 through creating hospital jobs, which created additional jobs and spending within our local communities; the purchase of supplies and food; and facility construction equaled well over \$5 billion.

We understand that municipalities have also been impacted by funding reductions, and they must balance their many competing priorities with limited resources. The Governor has proposed an increase in PILOT funding, and we encourage you to support that proposal and keep the current property tax exemption for colleges and hospitals in place.

Thank you for your consideration.